

BOYERTOWN AREA SCHOOL DISTRICT
FINANCE COMMITTEE
JULY 9, 2013
MINUTES

Mrs. Hartford, Finance Committee Chair, called the meeting to order at 6:30 p.m. in the Education Center Board Room.

Board Attendees: Mr. Crossley, Dr. Christman, Mrs. Dierolf, Mr. Elsier, Mrs. Hartford, Mr. Nichols, Mrs. Semmens, Mrs. Usavage

Administration: Mr. Miles, Mr. Scoboria, Mr. Szablowski

Public: 7

Everyone participated in the Pledge of Allegiance to the Flag and a moment of silence

There was no public comment.

The meeting minutes of the May 21, 2013 Finance Committee meeting were approved.

The options for the BASH Construction Project Financing were presented by Brad Remig, PFM & Lauren Eby, RBC Capital Markets. The handouts used to illustrate the options are included with these minutes. There were two options discussed, one to issue bonds once to borrow \$55 million for the projected cost of the project or to split the bond issues into two separate borrowings to save the interest on the funds, which are projected to be spent over a period to exceed 24 months. There was discussion about the cost of issuance versus the interest savings. The presenters discussed the current interest rate market and the general economic conditions in regard to the timing of the bond closings. The Committee favored the two bond issues, citing a savings on interest that would exceed the issuance cost. Administration recommended the School board be asked to approve a parameters authorization to issue the two bond issues at a total cost of \$55 million over the next two years. The parameters authorization would give Administration and the financing personnel the ability to prepare the bond issuance materials for approval and when the market is receptive the bonds would be marketed to obtain the best pricing on the issues. The Finance Committee agreed to recommend the parameters authorization approval for the School board's consideration at the August 20, 2013 School Board meeting.

Mr. Szablowski provided the Committee with an update on the recently adopted State Budget. The adopted budget provides the Boyertown Area School District with slightly higher revenue than was approved in the District's 2013-2014 budget. The difference in the Basic education Subsidy totaled \$15,788. Mr. Szablowski shared a recently distributed PSBA presentation regarding the State budget.

Included in the 2013-2014 budget was the replacement of a District Van used to transport students. The fleet is aging and there is a concern about utilizing all the vans on longer trips. A replacement van would assure that there is at least one reliable vehicle in the fleet. The specifications for the van bid were presented and discussed. The student van being replaced would be transferred to the maintenance department and the oldest van driven by the District courier would be replaced. The committee recommended adding the approval of the student van replacement bid to the School board for consideration at the next Board meeting.

Mrs. Hartford had requested that the budget projections developed by Mr. Szablowski be expanded to encompass a five year period versus the current three year model. Mr. Szablowski shared the five year budget projection model with the Committee. There was discussion on the assumptions used in the development of the projections, the projected tax increases and the use of the committed fund balance to offset the mandated increases in the PSERS retirement contributions.

Mrs. Hartford announced that the Finance committee would be meeting on October 1, October 15, November 6, which is the Wednesday after election day, and November 19, which will mark the start of the 2014-2015 budget season.

There was no public comment.

Announcements

July 16, 2013	Curriculum Committee	Education Center	5:30 pm
July 16, 2013	Board Meeting	Education Center	7:00 pm

Mrs. Dierolf moved for adjournment, seconded by Mr. Crossley. The meeting adjourned at 9:05 pm.